

1 [Tax Increment Allocation Agreement and Financing Agreement for the Emporium Site]  
2 APPROVING AND AUTHORIZING A TAX INCREMENT ALLOCATION PLEDGE  
3 AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO ("CITY") AND  
4 THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO  
5 ("AGENCY"), UNDER WHICH THE CITY AGREES TO A PLEDGE BY THE AGENCY OF A  
6 PORTION OF THE AVAILABLE NON-HOUSING TAX INCREMENT GENERATED BY THE  
7 REDEVELOPMENT OF THE PROJECT SITE (SPECIFICALLY INCLUDING ASSESSOR'S  
8 BLOCK 3705, LOTS 9, 10, 12, 13, 14, 15, 17, 18, 33, 38 AND 43) IN FAVOR OF EMPORIUM  
9 DEVELOPMENT, L.L.C. ("DEVELOPER"), A CALIFORNIA LIMITED LIABILITY COMPANY  
10 CONTROLLED BY FOREST CITY ENTERPRISES, IN FURTHERANCE OF THE  
11 IMPLEMENTATION OF THE REDEVELOPMENT PLAN AMENDMENT FOR THE ADDITION  
12 OF THE EMPORIUM SITE AREA TO THE YERBA BUENA CENTER PROJECT AREA;  
13 APPROVING AND AUTHORIZING A FINANCING AGREEMENT AND COVENANT TO  
14 OPERATE ("FINANCING AGREEMENT") IN CONNECTION WITH THE DEVELOPMENT OF  
15 THE EMPORIUM SITE AREA; APPROVING AN ALLOCATION OF TAX INCREMENT FOR  
16 AFFORDABLE HOUSING PURPOSES IN EXCESS OF THE MINIMUM AMOUNT  
17 REQUIRED UNDER REDEVELOPMENT LAW; MAKING ELECTIONS WITH RESPECT TO  
18 THE ALLOCATION OF TAX INCREMENT; ADOPTING FINDINGS PURSUANT TO THE  
19 CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND ADOPTING FINDINGS THAT THE  
20 AGREEMENT IS CONSISTENT WITH THE CITY'S GENERAL PLAN AND EIGHT PRIORITY  
21 POLICIES OF CITY PLANNING CODE SECTION 101.1.

22

23 WHEREAS, In accordance with the Community Redevelopment Law of California  
24 (Health & Safety Code Section 33000 et seq.), this Board of Supervisors has approved an  
25 amendment to the Redevelopment Plan for the Yerba Buena Center Redevelopment Project

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1 Area by Ordinance No. 236-00 adopted on October 13, 2000 (the  
2 “Redevelopment Plan Amendment”); and,

3 WHEREAS, The Redevelopment Plan Amendment expands the Yerba Buena Center  
4 Project Area boundaries to add territory consisting of a portion of the block bounded by  
5 Market, Fourth, Mission and Fifth Streets (including the site of the Emporium building and  
6 related buildings) and a portion of Mission Street between Fourth and Fifth Streets,  
7 specifically including Assessor’s Block 3705, Lots 9, 10, 12, 13, 14, 15, 17, 18, 33, 38 and 43,  
8 containing a total of approximately 295,000 square feet of land area, as more particularly  
9 described in the Redevelopment Plan Amendment (the “Emporium Site Area”); and,

10 WHEREAS, The Redevelopment Plan Amendment provides for the redevelopment,  
11 rehabilitation and revitalization of the Emporium Site Area, and it allows for the development  
12 of a mixed use project (the “Project”); and,

13 WHEREAS, The Redevelopment Plan Amendment authorizes the Agency to use tax  
14 increment funds to finance the development of the Project, including the pledge to the  
15 developer of the Project of available tax increment generated by development of such land  
16 (the “Project Site”), subject to the limitations on incurring such indebtedness set forth therein;  
17 and,

18 WHEREAS, In order to facilitate the implementation of the Redevelopment Plan  
19 Amendment, the Redevelopment Agency of the City and County of San Francisco (the  
20 “Redevelopment Agency”) and Emporium Development, L.L.C., a California limited liability  
21 company (the “Developer”) propose to enter into an Owner Participation Agreement/  
22 Disposition and Development Agreement (the “OPA/DDA”), regarding the transfer of Agency  
23 property to the Developer and the redevelopment of the Project Site, consistent with the terms  
24 and conditions of the term sheet on file with the Clerk of the Board in File No.

25 001267; and,

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1           WHEREAS, The Agency proposes to enter into an owner participation agreement with  
2 Federated Department Stores (or its affiliate) as the owner of portions of the Project Site  
3 consistent with the owner participation rules adopted by the Agency for the Yerba Buena  
4 Center Redevelopment Project Area relating to certain aspects of the development of the  
5 Project Site (the "Federated Agreement"); and

6           WHEREAS, The Agency, the City and the Developer intend to enter into a Financing  
7 Agreement, substantially in the form on file with the Clerk of the Board in File No.  
8 001267 (the "Financing Agreement"), under which the Redevelopment Agency will  
9 incur certain executory financial obligations, including the pledge of a portion of the available  
10 non-housing tax increment from the Project Site, subject to the approval of the City's Board of  
11 Supervisors, and the purpose of this resolution is to provide such approval; and,

12           WHEREAS, As provided in the Financing Agreement, no tax increment revenues nor  
13 any proceeds of any tax allocation bonds will be made available for the financing of  
14 redevelopment by the Developer beyond any Net Available Increment (as defined in the  
15 Financing Agreement) generated from development of the Project, and in this way, no tax  
16 increment will be drawn for development of the Project from the remainder of the Yerba  
17 Buena Center Project Area or from any other redevelopment project areas in the City and  
18 County of San Francisco; and,

19           WHEREAS, The Agency intends to disburse Net Available Increment from the Project  
20 Site to the Developer as such increment is collected from the Project Site, on the terms and  
21 conditions further described in the Financing Agreement; and,

22           WHEREAS, Under the Financing Agreement, the City will participate in net operating  
23 income to the Developer from the Project and in the net proceeds from sales or refinancings  
24 of the Project by the Developer, on the terms and conditions set forth in the Financing  
25 Agreement; and,

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1           WHEREAS, The Redevelopment Plan Amendment provides for the set aside of  
2 increment from the Emporium Site Area for affordable housing to be increased to 40% above  
3 the minimum percentage of 20% required by the Community Redevelopment Law, at the  
4 beginning of the 17<sup>th</sup> year after the effective date of the Redevelopment Plan Amendment;  
5 and,

6           WHEREAS, Pursuant to the authority granted under Article XVI, Section 16 of the  
7 California Constitution and the Community Redevelopment Law, including but not limited to  
8 Sections 33670, 33334.2, 33671 and 33675 , and in furtherance of the implementation of the  
9 Redevelopment Plan Amendment, the Board intends by this resolution to provide for the  
10 irrevocable pledge of Net Available Increment from the Project Site for the purposes of  
11 financing or refinancing the development of the Project, in accordance with the terms and  
12 conditions of a proposed Tax Increment Allocation Agreement between the City and the  
13 Redevelopment Agency; and,

14           WHEREAS, A copy of the proposed Tax Increment Allocation Pledge Agreement is on  
15 file with the Clerk of the Board of Supervisors in File No. 001267 (the "Tax Allocation  
16 Agreement"); and,

17           WHEREAS, On August 15, 2000, the Redevelopment Agency Commission, by  
18 Resolution No. 147-2000, approved the proposed Tax Allocation Agreement and  
19 authorized the Executive Director of the Agency to execute the same on the Agency's behalf;  
20 and

21           WHEREAS, In Resolution No. 812-00, a copy of which is on file with the Clerk  
22 of the Board of Supervisors in File No. 001265, this Board of Supervisors affirmed  
23 the Planning Commission's and Redevelopment Commission's certification of the Final  
24 Supplemental Environmental Impact Report for the Yerba Buena Redevelopment Project Area  
25 Expansion/Emporium Site Development (SCH. No. 98072072) (the "FSEIR") as adequate and

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1 complete pursuant to the California Environmental Quality Act ("CEQA"), the State CEQA  
2 Guidelines, and Chapter 31 of the San Francisco Administrative Code. In such Resolution,  
3 this Board also adopted findings in connection with the FSEIR, including an Addendum  
4 thereto, and its actions related to the Yerba Buena Redevelopment Project Area Expansion,  
5 including the actions contemplated herein, and adopted a mitigation monitoring and reporting  
6 program; and,

7 WHEREAS, The Planning Commission, by Resolution No. 15947 & 15948 adopted on  
8 August 17, 2000, found that the Project, which includes the Tax Allocation Agreement,  
9 is consistent with the City's General Plan, as amended, and with the eight Priority Policies of  
10 City Planning Code Section 101.1; now, therefore, be it

11 RESOLVED, That this Board hereby incorporates by reference as if fully set forth  
12 herein Resolution No. 812-00, a copy of which is on file with the Clerk of the Board  
13 of Supervisors in File No. 001265, including such Resolution's findings and mitigation  
14 program, and relies on such Resolution as the CEQA basis for the actions proposed in this  
15 resolution; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors finds, based on the record  
17 before it, including but not limited to the Report on the Plan Amendment, the reports and  
18 analyses of expert real estate economics consultants prepared in connection with the  
19 adoption of the Redevelopment Plan Amendment, and other materials on file with the Clerk of  
20 the Board of Supervisors in File No. 001257. when the Board of Supervisors adopted  
21 Ordinance No. 236-00 approving the Redevelopment Plan Amendment, that the  
22 redevelopment of the Project Site in accordance with the Redevelopment Plan Amendment  
23 and related documents affords numerous public benefits for the City and County and its  
24 residents, and that such public benefits include, without limitation: the revitalization of the  
25 Emporium Site Area, which is currently blighted, and the elimination of the blighting

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1 influences; the creation of jobs, including employment opportunities for qualified economically  
2 disadvantaged individuals; the generation of new City and local revenues from the Project;  
3 and the preservation of historic resources ; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors hereby finds, based on the  
5 record before it, including but not limited to the Report on the Plan Amendment, the reports  
6 and analyses of expert real estate economics consultants prepared in connection with the  
7 adoption of the Redevelopment Plan Amendment, and other materials on file with the Clerk of  
8 the Board of Supervisors in File No. 001257 when the Board of Supervisors adopted  
9 Ordinance No. 236-00 approving the Redevelopment Plan Amendment, that the Tax  
10 Allocation Agreement (including, without limitation, the Financing Agreement attached  
11 thereto), which is part of the implementation of the Project, is consistent with the General  
12 Plan, as amended, and with the eight Priority Policies of Planning Code Section 101.1 for the  
13 same reasons as set forth in Planning Commission Resolution No. 15947 & 15948 , and  
14 hereby incorporates such findings by reference as though fully set forth in this resolution; and,  
15 be it

16 FURTHER RESOLVED, That the Board of Supervisors hereby approves the form and  
17 substance of the Tax Allocation Agreement, including the Financing Agreement attached  
18 thereto, and the pledge of tax increment from the Project Site and the Emporium Site Area for  
19 the purposes described therein; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors finds, based on the record  
21 before it, that the Developer is prepared to undertake to remedy the blighted conditions of the  
22 Emporium Site Area through the development of the Project, and that the Developer would  
23 not be willing to undertake the Project without the assistance of the Agency and City in  
24 providing Net Available Increment, as described in the Financing Agreement and the Report  
25 to the Board on file with the Clerk of the Board in File No. 001267 ; and, be it

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1 FURTHER RESOLVED, That the Board hereby approves the election set forth in the  
2 Tax Allocation Agreement to not deduct fees for the administration of the collection and  
3 allocation of property taxes from the Emporium Site Area, on the terms and conditions  
4 provided therein; and, be it

5 FURTHER RESOLVED, That this Board of Supervisors authorizes and urges the  
6 Mayor and the Controller to execute the Tax Allocation Agreement and the Financing  
7 Agreement attached thereto, in the name and on behalf of the City, in substantially the form of  
8 such agreement presented to this Board of Supervisors; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors authorizes the Mayor (or the  
10 Mayor's designee) and the Controller (or any successor City officer designated by law) to  
11 enter into or approve any additions, amendments or other modifications to the Tax Allocation  
12 Agreement (including, without limitation, the Financing Agreement) that they shall determine,  
13 in consultation with the City Attorney, are in the best interests of the City, provided that any  
14 such additions, amendments or modifications are necessary or advisable to effectuate the  
15 implementation of the Redevelopment Plan Amendment, the OPA/DDA and this resolution  
16 and do not (1) increase the pledge of non-housing tax increment that is the subject of this  
17 resolution or otherwise materially increase the liabilities or obligations of the City with respect  
18 thereto, or (2) materially decrease the City's participation in net operating income or in net  
19 sales or refinancings from the Project, as contemplated by the Financing Agreement, such  
20 determination in each instance to be conclusively evidenced by the execution and delivery by  
21 the Mayor (or designee) and the Controller (or any successor City officer designated by law)  
22 of the Tax Allocation Agreement and any amendments thereto; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors authorizes and urges the  
24 Mayor, Controller and any other officers, agents and employees of the City to take any and all  
25 steps (including, but not limited to, the execution and delivery of any and all agreements,

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1 notices, consents and other instruments or documents) as they or any of them deem  
2 necessary or appropriate, in consultation with the City Attorney, in order to consummate the  
3 Tax Allocation Agreement in accordance with this resolution, or to otherwise effectuate the  
4 purpose and intent of this resolution, such determination to be conclusively evidenced by the  
5 execution and delivery by such person or persons of any such documents; and, be it

6 FURTHER RESOLVED, That the approval under this resolution shall take effect upon  
7 the effective date of the amendments to the General Plan approved under Board of  
8 Supervisors Ordinance No. 229-00, adopted on October 13, 2000.

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# City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

## Tails

### Resolution

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**File Number:** 001267

**Date Passed:**

Resolution approving and authorizing a Tax Increment Allocation Pledge Agreement between the City and County of San Francisco ("City") and the Redevelopment Agency of the City and County of San Francisco ("Agency"), under which the City agrees to a pledge by the Agency of a portion of the available non-housing tax increment generated by the redevelopment of the project site (specifically including Assessor's Block 3705, Lots 9, 10, 12, 13, 14, 15, 17, 18, 33, 38, and 43) in favor of Emporium Development, L.L.C. ("Developer"), a subsidiary of Forest City Enterprises, in furtherance of the implementation of the Redevelopment Plan amendment for the addition of the Emporium Site Area to the Yerba Buena Center Project Area; approving and authorizing a financing agreement and covenant to operate ("Financing Agreement") in connection with the Development of the Emporium Site Area; approving an allocation of tax increment for affordable housing purposes in excess of the minimum amount required under Redevelopment Law; making elections with respect to the allocation of tax increment; adopting findings pursuant to the California Environmental Quality Act; and adopting findings that the agreement is consistent with the city's General Plan and Eight Priority Policies of city Planning Code Section 101.1.

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October 2, 2000 Board of Supervisors — CONTINUED

Ayes: 9 - Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

Noes: 1 - Ammiano

Excused: 1 - Becerril

October 10, 2000 Board of Supervisors — ADOPTED

Ayes: 8 - Bierman, Brown, Kaufman, Leno, Newsom, Teng, Yaki, Yee

Noes: 1 - Ammiano

Absent: 1 - Katz

Excused: 1 - Becerril

File No. 001267


I hereby certify that the foregoing Resolution was ADOPTED on October 10, 2000 by the Board of Supervisors of the City and County of San Francisco.



Jean Lum  
Acting Clerk of the Board

OCT 13 2000

Date Approved



Mayor Willie L. Brown Jr.